

Message Text

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ACTION EB-08

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 USIA-06 TRSE-00
EUR-12 ERDA-05 ISO-00 /032 W
-----151542Z 041151 /41
R 151528Z MAR 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC 5720

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 07530

EXCON

E.O. 11652:XGDS1
TAGS: ESTC, COCOM
SUBJ: REPORTED SALE OF FRENCH CNC MACHINE TOOL TO USSR
IL 1091

REF: STATE 47688

1. SUMMARY: US DEL SOLICITED SUPPORT FROM UK, GERMAN AND NORWEGIAN DELS FOR DEMARCHE ON FRENCH AS INSTRUCTED REF-TEL. UK AND GERMAN DELS GREETED PROPOSAL WARMLY BUT NOTED THEY WOULD HAVE TO CHECK WITH THEIR AUTHORITIES. NORWEGIAN DEL WAS MORE RESERVED, BUT PROMISED TO FORWARD US REQUEST TO HIS AUTHORITIES. DEPT. SHOULD NOW FOCUS ON FORM OF APPROACH IT FAVORS AND RESPONSE FROM FRENCH IT HOPES TO OBTAIN. END SUMMARY.

2. US DEL CALLED ON UK, GERMAN, AND NORWEGIAN DELS 3/11 TO SOLICIT THEIR SUPPORT FOR JOINT APPROACH TO FRENCH ON EMBARGO STATUS OF KONGSBERG 300 CNC UNITS AND FRENCH INTERPRETATION OF IL 1091. US DEL PRESENTED EACH DEL WITH LETTER EXPLAINING US CONCERNS AS WELL AS HISTORY OF US APPROACHES TO FRENCH AUTHORITIES AND FRENCH RESPONSES THERETO (COPY OF LETTER POUCHED PRACHT 3/LL). US DEL REVIEWED FOR EACH DEL, IN DETAIL, US POSITION AND EF-CONFIDENTIAL

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FORTS IN THIS REGARD AND CALLED ON OTHER DELS TO SUPPORT US BY SUBSCRIBING TO JOINT DEMARCHE ON FRENCH DELEGATIONS

3. UK DEL INDICATED THAT HIS AUTHORITIES HAVE BEEN AWARE OF THIS PROBLEM FOR LONG TIME AND THAT HE WAS SURE HIS AUTHORITIES WOULD SUBSCRIBE TO SUCH A DEMARCHE. HE

RECALLED THAT HE HIMSELF HAD APPROACHED THE FRENCH LAST YEAR ON THIS ISSUE BUT HAD RECEIVED NO SATISFACTORY RESPONSE. THE FRENCH SEEMED TO BE HIDING BEHIND A SMOKE SCREEN OF CONFUSION REGARDING IL 1091, HE SAID.

4. GERMAN DEL STATED THAT ON BASIS OF US DELS PRESENTATION, HE AGREED FRENCH RESPONSES REGARDING THIS MATTER WERE INADEQUATE. HE SAID HE WOULD FORWARD COPY OF US DELS LETTER TO HIS AUTHORITIES ALONG WITH ADDITIONAL INFORMATION PROVIDED VERBALLY AND WOULD ATTACH HIS OWN RECOMMENDATION THAT GERMAN AUTHORITIES AGREE TO PARTICIPATE IN SUCH A JOINT DEMARCHE. NEVERTHELESS, HE COULD NOT COMMIT HIS AUTHORITIES TO ANY LINE OF ACTION UNTIL HE RECEIVED INSTRUCTIONS.

5. NORWEGIAN DEL APPEARED TROUBLED BY US REQUEST FOR NORWEGIAN SUPPORT. HE NOTED THAT SUCH AN APPROACH MIGHT HAVE A DIRECT EFFECT ON KONGSBERGS SALES TO FRANCE AND WONDERED IF THEIR PARTICIPATION IN SUCH AN APPROACH MIGHT NOT PROVE AWKWARD. US DEL ASSURED NORWEGIAN DEL THAT HIS DELEGATIONS PARTICIPATION IN SUCH A DEMARCHE WAS MOST APPROPRIATE IN THAT NORWAY WAS THE ORIGINAL SUPPLIER OF KONGSBERG 300 AND HAD ITSELF STATED THAT KONGSBERG 300 WAS EMBARGOED BY IL 109L. US DEL ALSO ARGUED THAT DEMARCHE DID NOT NECESSARILY HAVE IMPLICATIONS FOR FUTURE SALES OF KONGSBERG 300 IN THAT EXCEPTION REQUEST PROCEDURE WOULD STILL BE AVAILABLE FOR PROPOSED TRANSACTIONS INVOLVING KONGSBERG 300. US DEL ALSO STATED THAT IT WAS IN INTEREST OF ALL DELS THAT IL 1091

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BE APPLIED UNIFORMLY BY ALL COCOM MACHINE TOOL AND CNC SUPPLIERS AND THAT PERMITTING ONE MEMBER COUNTRY TO EXPORT UNITS WITHOUT GOING TO COMMITTEE GAVE THEM DISTINCTLY UNFAIR COMMERCIAL ADVANTAGE. NORWEGIAN DEL PROMISED TO FORWARD US DELS LETTER TO HIS AUTHORITIES ALONG WITH US DELS COMMENTS THEREON.

6. COMMENT: ON ASSUMPTION THAT ONE OR MORE DELEGATIONS WILL PARTICIPATE WITH US IN JOINT DEMARCHE, DEPARTMENT SHOULD FOCUS ON NATURE OF APPROACH IT WISHES. US DEL BELIEVES THAT MOST APPROPRIATE APPROACH WOULD BE JOINT PRESENTATION OF MEMORANDUM TO FRENCH DELEGATION REGARDING FRENCH INTERPRETATION OF IL 1091 AND EMBARGO STATUS OF KONGSBERG 300. TECHNICAL DISCUSSIONS OF THIS ISSUE SHOULD BE AVOIDED AS TECHNICAL ARGUMENTS HAVE ALREADY BEEN LARGELY EXHAUSTED AND FRENCH APPEAR TO BE USING

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FM USMISSION OECD PARIS
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C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 07530

EXCON

TECHNICAL INTRICACIES, I.E., THE DISTINCTION BETWEEN
CONNECTING THE CNC UNITS TO THE MACHINE TOOL BY A
PERFORATED TAPE RATHER THAN AN INTERFACE, AS EXCUSE FOR
THEIR POSITION.

7. DEPT SHOULD ALSO FOCUS ON TYPE OF RESPONSE IT WOULD
EXPECT FROM SUCH A DEMARCHE. DOES DEPT WANT FRENCH TO
REPORT TRANSACTIONS THAT HAVE ALREADY TRANSPIRED, TO
PRESENT EXCEPTION REQUESTS FOR OUTSTANDING PART OF CNC
ORDER, TO INDICATE ACCEPTANCE OF CORRECT IL 1091 INTER-
PRETATION? US DEL NOTES, IN THIS REGARD THAT US PROPOSAL
FOR 1500 NI, IF ACCEPTED, WOULD CLEARLY EMBARGO KONGS-
BERG 300 AND WOULD MAKE PRESENT INTERPRETATION ISSUE
PASSE.

8. US DEL BELIEVES THAT SOME HARD INFORMATION, WHICH NOW
APPEARS LACKING, AS TO HOW MANY UNITS HAVE BEEN SHIPPED,
SUSPECTED END USE OF EQUIPMENT, EMBARGO STATUS OF MACH-
INES TOOLS THEMSELVES, AND TOTAL NUMBER OF KONGSBERG
UNITS INVOLVED WOULD BE PARTICULARLY HELPFUL. MISINFOR-
MATION ON ANY OF THESE ITEMS COULD DETRACT CONSIDERABLY
FROM THE FORCE OF SUCH A COMMON APPROACH. (END COMMENT).
TURNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, DEMARCHE, STRATEGIC TRADE CONTROLS, TOOLS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP07530
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Drafter: n/a
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Executive Order: X1
Errors: N/A
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Litigation History:
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Review Markings:
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